

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113
Sacramento, CA

Minutes of Meeting
August 9, 2007

COMMISSIONERS PRESENT

Cathie Bennett Warner
Michele Burton, M.P.H.
Wilma Chan
Jerome Horton
Vicki Marti
Nancy McFadden
John Longville

CMAC STAFF PRESENT

Keith Berger, Executive Director
Tacia Carroll
Paul Cerles
Denise DeTrano
Mark Klobberdanz
Katie Knudson
Genaro Rodriguez
Steve Soto
Becky Swol
Mike Tagupa

COMMISSIONERS ABSENT**EX-OFFICIO MEMBERS PRESENT**

Toby Douglas, Department of Health Care Services
John Fitzpatrick II, Department of Finance

EX-OFFICIO MEMBERS ABSENT**I. Call to Order**

The August 9, 2007 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Cathie Bennett Warner. A quorum was present.

II. Approval of Minutes

The July 26, 2007 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Keith Berger, Executive Director, informed the Commissioners that CMAC staff had completed an initial draft of the 2007 Annual Report to the Legislature. The Annual Report summarizes CMAC's programs and accomplishments over the last year. The Commissioners were provided with a copy for their review. Mr. Berger noted that CMAC will be continuing an internal staff review and will looking forward to incorporating any comments or suggestions the Commissioners may have as staff finalizes the document. CMAC plans to provide Commissioners with a final copy at the August 23 or September 13 meeting and then distribute the report by the end of that month.

Regarding the Distressed Hospital Fund, Mr. Berger indicated that the Department of Health Care Services (DHCS) had notified CMAC staff that current estimates of stabilization funding are high enough that regardless of the outcome of the Physician Cost State Plan Amendment (SPA), there should be an additional \$23.5 million of stabilization money available for distressed hospitals in accordance with the hospital waiver statutes.

Mr. Berger noted that CMAC would incorporate those funds into the current Distressed Hospital process. This will provide additional funding, but will require pushing the final decisions back until at least the August 23 Commission meeting.

In regards to CMAC's other major supplemental program, staff is recommending that the Commission begin the implementation of Round 3A of the Private Hospital Supplemental Fund. As Mr. Berger announced at the last meeting, staff has initiated preparations for the implementation of Round 3A of the FY 2007-08 Private Hospital Supplemental Fund. He noted that staff has provided the Commissioners with a tentative schedule and draft announcement letter. Unless there are any concerns raised by Commission today, CMAC's plan is to mail the announcement letters to the eligible hospitals next week.

Mr. Berger explained that the letters request that hospitals notify CMAC of their intent to participate in Round 3 and that they submit proposals meeting the statutory requirements of demonstrating a need for supplemental funds. He also said that CMAC will be posting the schedule, the letter template and accompanying documents on CMAC's website next week as well so that they are available to the eligible hospitals through several mediums.

Mr. Berger noted that there were 11 hospital amendments before the Commissioners for review and action in today's closed session, as well as several important updates and discussions regarding current hospital and managed care negotiations.

IV. Department of Health Care Services (DHCS) Report

Toby Douglas, Assistant Deputy Director, Medical Care Services, CDHS, began his report by informing CMAC that after months of negotiation, DHCS and Centers for Medicare & Medicaid Services (CMS), have reached an agreement on the Health Coverage Initiative, part of the Hospital Financing Waiver. He said that CMS has limited eligible participants to those with income levels below 200 percent of the federal poverty level. The ten counties

have agreed to move forward with the process utilizing the 200 percent limit for a September implementation.

Regarding the SPA on the cost of physician services, Mr. Douglas noted that the State had received feedback from the federal government after two years of negotiations. He informed the Commission that CMS had finalized a new methodology for determining allowable physician costs that they want to apply as a national standard. DHCS is in the process of reviewing the new federal proposal with the designated public hospitals.

As Mr. Douglas explained at the July 26 CMAC meeting, many negotiations are on hold until the budget is passed, but the Administration remains committed to the Governor's Health Care Reform Proposal.

V. New Business/Public Comments/Adjournment

There being no further new business and no comments from the public, Chair Bennett Warner recessed the open session. Chair Bennett Warner opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair Bennett Warner announced that the Commission had taken action on hospital contracts and amendments in closed session. The open session was then adjourned.